

November 1, 2004

Public Comment on *Final Report: An Ocean Blueprint for the 21st Century (Pre-Publication Copy)*

Interagency Ocean Policy Group

White House Council on Environmental Quality

722 Jackson Place, N.W.

Washington, D.C. 20503

Via e-mail: finalreport.comments@noaa.gov

Dear Members of the Interagency Ocean Policy Group:

On behalf of the Alaska Oceans Program, American Littoral Society, Gulf Restoration Network, Natural Resources Defense Council, North Carolina Coastal Federation, People for Puget Sound, Sierra Club, and The Ocean Conservancy, we are submitting comments on the changes made to the *Preliminary Report of the U.S. Commission on Ocean Policy, Governor's Draft* (April 2004), which appear in the Commission's *Final Report: An Ocean Blueprint for the 21st Century (Pre-Publication Copy)*, September 2004. We are responding to the Interagency Ocean Policy Group's request for public comment on the Final Report, as noticed in the Federal Register (69, Federal Register, p. 58914, October 1, 2004.) We welcome the opportunity to present our thoughts on the Commission's reports, specifically on the changes that were made to the final report.

The U.S. Commission on Ocean Policy's final report, like the draft upon which it is based, clearly illustrates the many threats and stresses that the nation's coastal and ocean resources face. As the report documents time and again, the marine and Great Lakes environments face serious risks. Indeed, they are reeling from federally-subsidized development of coastal lands that destroys habitat and generates pollution, the problems of bycatch and diminishing fisheries, tangled state and federal bureaucracies that result in fractured resource management – and all the problems in between. The Commission paints a clear picture of an ocean management system that is not working, with serious consequences for marine and Great Lakes resources and the economies that depend on them.

Several changes were made to the final report that resulted in stronger recommendations, and a more accurate depiction of the problems our coasts and oceans face. When coupled with the original elements of the report that called for prompt, effective action, these changes have resulted in an even more compelling case for action. The Administration has a unique opportunity to be a force of change for the oceans. Failing to act on the Commission's recommendations would result in escalating peril to the marine and Great Lakes environments. The impacts would be felt for generations to come.

However, along with the many good improvements to the final report, there are also changes that we do not support. These changes are not consistent with the general tone of the report, which advocates improved management, strengthened protection, and restoration of marine resources. We are hopeful that as the Administration and Congress take steps to address

the problems documented in the final report, the focus will be maintained on the majority of recommendations whose implementation would result in healthier oceans and Great Lakes, stronger economies, and a long-lasting enjoyment of these irreplaceable resources.

Our detailed comments follow below. We look forward to working with you to implement the conservation, protection, and restoration recommendations of the U.S. Commission on Ocean Policy.

Sincerely,

Mark J. Spalding
Senior Program Officer
Alaska Oceans Program
308 G Street, Suite 219
Anchorage, Alaska 99501
Ph: 907/929-3553
mspalding@akcf.org

Tim Dillingham
Executive Director
American Littoral Society
Building 18, Hartshorne Drive, Sandy Hook
Highlands, New Jersey 07732
Ph: 732/291-0055
Tim_als@netlabs.net

Cynthia Sarthou
Executive Director
Gulf Restoration Network
P.O. Box 2245
New Orleans, Louisiana
Ph: 504/525-1528
cyn@gulfrestorationnetwork.org

Sarah Chasis
Director, Water and Coastal Program
Natural Resources Defense Council
40 West 20th Street
New York, New York
Ph: 212/727-2700
schasis@nrdc.org

Todd Miller *
Executive Director
North Carolina Coastal Federation
3609 Highway 24 (Ocean)
Newport, North Carolina 28570
Ph: 252/393-8185
toddm@nccoast.org
* NCCF supports all comments that pertain to individual mission and scope of work.

Kathy Fletcher
Executive Director
People for Puget Sound
1402 Third Avenue, Suite 1200
Seattle, Washington 98101
Ph: 206/382-7007
kfletcher@pugetsound.org

Daniel Lavery
Associate Representative of Wild Lands
Protection, Alaska
Sierra Club
408 C Street, NE
Washington, D.C. 20002
Ph: 202/547-1141
Dan.lavery@sierraclub.org

David Hoskins
Vice President for Government Affairs
and General Counsel
The Ocean Conservancy
1725 DeSales Street, NW, Suite 600
Washington, D.C. 20036
Ph: 202/429-5609
dhoskins@oceanconservancy.org

PART I – OUR OCEANS: A NATIONAL ASSET (Chapters 1-3, pp. 1-44)

- ***Chapters 1-3, Recognizing Ocean Assets and Challenges, Understanding the Past to Shape a New National Ocean Policy, Setting the Nation's Sights.***

We welcome the new discussion of climate change and its potential impacts on the oceans in Chapter 3 (p. 39).

We would like to point to elements of Part I that we particularly support.

- a. The call for a comprehensive national policy and a coordinated management structure.
- b. The recognition of the importance of the oceans, and the problems that they face.
- c. The call for careful stewardship and immediate action.
- d. The recognition that the failure to create a strong independent NOAA -- as was recommended by the Stratton Commission -- contributed to the subsequent proliferation of single-purpose statutes and the fragmented and ineffective governance regime.
- e. The vision statement on pp. 31-32.

PART II – A NEW NATIONAL OCEAN POLICY FRAMEWORK (Chapters 4-7, pp. 45-84.)

- ***Chapters 4-7, Enhancing Ocean Leadership and Coordination, Advancing a Regional Approach, Coordinating Management in Federal Waters, Strengthening the Federal Agency Structure.***

There are several topics in Part II that we feel are particularly important. We are especially supportive of the following:

- a. Requiring federal agencies to adopt ecosystem-based management that includes the precautionary approach.
- b. Establishing several mechanisms for coordinating and providing high-level attention to ocean policy, including establishing an Assistant to the President, a National Oceans Council, and a Presidential Council of Advisors on Ocean Policy.
- c. Improving regional coordination regarding ocean policy and oceans-related initiatives.
- d. Requiring user fees for offshore commercial activities.
- e. Establishing an offshore legal regime with a lead federal ocean agency for each offshore activity.
- f. Strengthening NOAA, including the enactment an organic act and policy directive that the agency's budget be formulated within OMB's Natural Resources Program.
- g. Consolidating federal ocean programs.

However, we are disturbed by some of the changes made to this section of the report. These changes include the following:

- a. In Chapter 4, Recommendation 4-3 on ecosystem-based management is weakened by no longer requiring agencies to incorporate the preservation of marine biodiversity in their management programs.

- b. Part II also makes several changes to the ways in which regional governance was proposed in the draft report. These changes could cause problems. For example, there is no longer a description of how a regional information program should be administered. Gone is the discussion of the need for adequate funding of regional information programs. The effectiveness of regional ocean councils is further decreased by saying that they should be totally “bottom-up.”

A stronger ocean policy framework is articulated in H.R. 4900, OCEANS-21, which we urge the Administration to support. It includes a national ocean policy with an enforceable standard that “protects, maintains, and restores marine ecosystem health,” a national oceans council, a national oceans advisor, a council of advisors on ocean policy, a NOAA organic act, and a regional approach that has councils with shared federal-state participation in planning for, and implementation of, a regional management strategy.

PART IV – LIVING ON THE EDGE: ECONOMIC GROWTH AND RESOURCE CONSERVATION ALONG THE COAST (Chapters 9-13, pp. 109-161.)

In *Part IV*, substantive changes were made from the draft to the final USCOP report. The majority of the changes made to *Part IV* strengthened the report, and were requested by a number of governors who commented on the draft, along with a number of environmental organizations. However, weakening changes occur in Chapter 11, *Conserving and Restoring Coastal Habitat*, in which habitat restoration is downplayed and acquisition as a habitat protection tool is specifically removed from the discussion.

- ***Chapter 9: Managing Coasts and their Watersheds.***

- a. We greatly support the new references to the negative consequences of sea level rise caused by global warming. For example, the chapter acknowledges that, “rising sea level exacerbates the damage to beaches and wetlands.” (p. 110)
- b. There is a new acknowledgment of the need to strengthen the Coastal Zone Management Act (CZMA) in key areas: “Other elements of the CZMA also need to be strengthened, including habitat restoration, community hazards planning and management, ocean management, and special area management planning.” (p. 112)
- c. Several new paragraphs were added on watershed management (p. 116). The report now recommends that information available through individual agency programs be consolidated into one central repository and given increased exposure.

- ***Chapter 10, Guarding People and Property Against Natural Hazards.***

The meritorious recommendations and substance of this chapter – which we strongly support -- remained intact from the draft to the final version.

- a. The summary box at the beginning of the chapter (p. 121) was amended to include a new risk to people and property in coastal areas – climate change – and further down the page, another sentence is added on climate change, noting that it may increase storms and sea-level rise, making the coastal zone “even more vulnerable.” Both of these additions are important.

- b. An excellent new recommendation has been added (Recommendation 10-1, p. 123.) This new recommendation includes several new directives to the Army Corps of Engineers. Specifically, it calls on the Corps' Civil Works Program to, "ensure valid, peer-reviewed cost-benefit analyses of coastal projects, provide greater transparency to the public, enforce requirements for mitigating the impacts of coastal projects, and coordinate such projects with broader coastal planning efforts."
 - c. The draft report discussed the need for national maps that reflect all hazards, such as coastal erosion, land subsidence, etc. The final report included an additional hazard that should be delineated on national hazard maps: sea level rise zones (p. 124.) We support this addition.
- ***Chapter 11, Conserving and Restoring Coastal Habitat.***
 - a. The report includes a new emphasis on the role that the USDA could, and should, be playing to improve habitat conservation. It discusses USDA programs that are potentially large sources of funds for coastal land conservation projects, and recommends that a larger share of USDA programs be directed to coastal and estuarine lands. (p. 131.) This is a welcome addition since coastal land conservation is chronically under-funded.
 - b. However, we note with distress that the beginning part of the chapter was altered to focus on, "activities that can be undertaken by government and nongovernmental partners to protect the coast," and acquisition was specifically removed from the list of these activities, with only conservation and restoration activities remaining (p. 130.) Acquisition is a critically important tool for coastal conservation, one that is being used with great success in several states. For example, in North Carolina, a nonprofit (North Carolina Coastal Federation) has partnered with private sector interests, using state and private funds, to purchase 6,000 acres of coastal farmland to restore the area's wetlands and forests, providing enormous benefits to water quality, habitat, fisheries, and wildlife uses of the area. Similarly, several governors in their comments on the draft U.S. Commission report strongly supported acquisition as a coastal conservation tool, and urged that the Commission recommend greater funding for it.
 - c. In a similar vein, new language has been added that casts a pejorative light on restoration, referring to it as "scientifically uncertain," (p. 130), and replete with, "much larger expense[s] and scientific uncertainties" than conservation (p. 131.) We agree that conservation should always be the first action taken to protect coastal and ocean ecosystems, to both conserve them and avoid costly losses that may not be reversible. Over the years, there have been many examples of unsuccessful mitigation or restoration efforts undertaken in one area, in exchange for habitat being destroyed elsewhere. This has resulted in serious harm to the coastal and marine environment. On a more promising note, the science of habitat restoration has grown. The recent Restore America's Estuaries conference (September 2004) drew more than 900 participants, many of them state and federal employees, public interest groups and citizen volunteers, and scientists who are actively involved with on-the-ground restoration projects. Such restoration projects can aid in the development of better science, and typically enjoy broad community support, engage the public, and spark Congressional backing: benefits that are encouraged elsewhere in the final report.
 - ***Chapter 12, Managing Sediment and Shorelines.***
 - a. The summary box on the first page of the chapter (p. 139) was improved to include the need for a national strategy for managing sediments.

- b. We support the new language on impacts from global climate change (p. 140.)
 - c. A strengthening change has been added that recommends that Congress direct the Corps to adopt regional and ecosystem-based management approaches in carrying out all of its sediment-related civil works missions, and that Congress modify Corps authorities and processes as necessary to achieve this goal. (p. 144.)
 - d. The draft report included inaccurate language that alleged that beach renourishment is beneficial for reefs. This language was removed from the box on beach renourishment that appears on p. 145.
 - e. The final report recommends that the Corps' cost-benefit analyses be peer-reviewed to check their assumptions and methodologies, as was called for in a recent National Research Council report. This is an excellent addition to this chapter (p. 146.)
 - f. A significant improvement was made to Recommendation 12-4 on p. 147. The draft report supported the idea of streamlining permitting for sediment permit activities, which we strongly opposed since "streamlining" often leads to a reduction in environmental protections. This reference to streamlining was removed from Recommendation 12-4 in the final report.
 - g. Similarly, we strongly support the strengthening changes that were made to Recommendation 12-6 (p.148), which now directs Congress to modify its authorization and funding processes to require the Corps, or an appropriate third party, to monitor outcomes from past Corps projects and assess the cumulative, regional impacts of Corps activities within coastal watersheds and ecosystems. The recommendation also calls for the assessments to be peer-reviewed consistent with recommendations made recently by the National Research Council.
 - h. There needs to be support articulated for sediment treatment, remediation, and reuse technologies, which are now being used on a commercial basis. For example, the State of New Jersey has been treating, on an annual basis, 1 million cubic yards of contaminated sediments for the past several years through commercial technologies that clean-up brownfields, create jobs, and improve the environment. The Administration should support these "win-win" technologies that simultaneously provide new jobs and improve the environment, while allowing ports to be dredged for navigation purposes.
- ***Chapter 13, Supporting Marine Commerce and Transportation.***
 - a. This chapter is essentially unchanged from the draft, with the exception of a couple of sentences that are a nod to the need for environmentally sound port management.

PART V – CLEAR WATERS AHEAD: COASTAL AND OCEAN WATER QUALITY (Chapters 14-18, pp. 155-221.)

In Part V, the Commission makes important findings and places proper emphasis on the seriousness of the threats that pollution poses to coastal waters. It focuses particularly on the need to control nutrient pollution and nonpoint sources of pollution. Among those recommendations that were strengthened in the final report and that we support are ones calling for a significant increase in the Clean Water State Revolving Fund, strengthened implementation and enforcement of the NPDES stormwater program, and the development and implementation of national and international, as well as regional, strategies to address atmospheric deposition.

- **Chapter 14, Addressing Coastal Water Pollution.**

We support the following strengthening changes that were made in Chapter 14.

- a. The recommendation calling on Congress to “*significantly increase* the Clean Water and Drinking Water State Revolving Funds.” (Recommendation 14-4, p. 170) (Emphasis added). In the preliminary report, the recommendation had been only for funding the State Revolving Fund “at or above historic levels.”
- b. We support the change in the recommendation regarding the Section 6217 Coastal Nonpoint program and the Clean Water Act’s Section 319 program. Rather than recommend that the Section 6217 program be moved to EPA and merged with the Section 319 program (which was a recommendation in the preliminary report), the final report recommends that the National Ocean Council evaluate these programs and make recommendations to Congress for improvements to them. (Recommendation 14-9, p. 177).
- c. The recommendation on stormwater was changed to highlight the need to *strengthen implementation* of the NPDES Phase I and II stormwater programs, something the preliminary report did not explicitly call for. (Recommendation 14-12, p. 180).
- d. The recommendation on atmospheric deposition has been strengthened to call for EPA to “develop and implement” (rather than just “explore”) “national and regional strategies” (not just “regional approaches”). (Recommendation 14-13, p. 183)
- e. A completely new recommendation, 14-14 (p. 183), was added calling on the United States to work with other nations to develop and implement international solutions to better address the sources and impacts of transboundary atmospheric deposition, and to initiate needed research programs.

Other recommendations of the final report that we support are the following:

- a. That EPA and the states require advanced nutrient removal for wastewater treatment plant discharges into nutrient-impaired waters, something that the Clean Water Act already requires but that has not been fully implemented to date.
- b. That Congress provide authority under the Clean Water Act and other applicable laws for federal agencies to impose financial disincentives and establish enforceable management measures to ensure action if a state does not make meaningful progress toward meeting water quality standards (similar to what happens under the Clean Air Act if states aren’t making progress in implementing their state implementation plans); however, the withdrawal of financial assistance should be mandatory, not discretionary, since EPA is unlikely to use the authority unless it is required to do so.
- c. That farm funds be limited to farmers who follow BMPs and that USDA align its conservation programs with programs of EPA and NOAA.
- d. That state and local governments adopt more effective building codes and zoning ordinances for such systems.
- e. The setting of reduction goals for nonpoint pollution into coastal watersheds, with a particular focus on impaired coastal watersheds, and specific measurable objectives; however, this should be done by EPA and NOAA, who have regulatory authority in this area, rather than by the National Ocean Council.
- f. Developing a national water quality monitoring network that coordinates and expands existing efforts and includes atmospheric deposition, all of which is very important.

- g. Calls on Congress to establish a new statutory regime for managing wastewater discharges from large passenger vessels, although it should be strengthened to explicitly require vessel owners to pay for the costs of the program and to allow citizen suits to enforce the requirements of the act.

- ***Chapters 16-18, Limiting Vessel Pollution and Improving Vessel Safety, Preventing the Spread of Invasive Species, Reducing Marine Debris.***

The key difference between the draft and final report is that the recommendations in these chapters were generally weakened with respect to their funding components, a change that we do not support. In addition, the new recommendation 17-3 calls on a number of agencies to increase enforcement of their existing laws to address invasive species, but leaves EPA off the list. This is a significant oversight since EPA needs to be involved in the control of aquatic invasives in particular (especially ballast water discharges.)

PART VI – OCEAN VALUE AND VITALITY: ENHANCING THE USE AND PROTECTION OF OCEAN RESOURCES (Chapters 19-24, pp. 231-322.)

- ***Chapter 19, Achieving Sustainable Fisheries.***

This chapter contains many important recommendations, including the following:

- a. Calling for key conservation decisions, such as allowable catch levels, to be set based on the science rather than politics. The recommended changes to accomplish this include: (a) insulating scientific advice from political manipulation by improving the independence of the Councils' science committees (the Science and Statistics Committees); and (b) having the Regional Councils set catch limits at or below the levels specified by the scientists.
- b. Recommending that the composition of regional councils be broadened to include representatives of the general public.
- a. Exploring the use of "dedicated access privileges," such as individual fishing quotas, community quotas, cooperatives, and territorial or area access programs, consistent with national guidelines to mitigate potential problems that can result from granting such privileges.
- b. Recognizing the need to better understand and address the effects of recreational fishing.
- c. Creating regional bycatch reduction plans which address ecosystem impacts of bycatch.
- d. Recognizing the need to move toward ecosystem-based management, but acknowledging the need for immediate action, and recommending important, specific reforms to improve fisheries management.
- e. Making a compelling case that overfishing, habitat loss, and bycatch have had major ecological, economic and social impacts that require significant management reforms.

We urge the Administration to support the approach to fisheries management contained in H.R. 4706, the Fisheries Management Reform Act of 2004. This bill would implement many of the regional fishery management council reforms proposed by the U.S. Commission and the Pew Oceans Commission, and address several key issues including: (a) separating conservation and allocation decisions, (b) broadening the representation on Fishery Management Councils, (c) reducing financial conflicts of interest on RFMCs, and, (d) training new council members.

- ***Chapter 20, Marine Mammals.***

- a. Recommendations 20-1, 20-3. We welcome the addition of sea turtles. Protecting them from fishing gear and safeguarding their nesting beaches are the two most critical steps that can be taken to keep several sea turtle species from going extinct.
- b. Recommendation 20-4. Many of the concerns we have with this new recommendation to expand cooperative agreements under Section 6 of the ESA are detailed in the narrative preceding the recommendation. We are concerned that the funding for federal oversight of this program to ensure the effectiveness of these cooperative agreements will be inadequate allowing states to implement cooperative agreements that don't adequately protect the species.
- c. Recommendation 20-5. While in theory, this may not be a bad idea, we are concerned that this will be placing the cart before the horse. Due to inadequate information about the biology and status of marine mammals, the MMPA has always been precautionary about allowing activities that could potentially harm marine mammals, this recommendation would shift the burden of proof of harm or not, from the proposer of the activity to the government. We oppose that move. In addition, we still do not have sufficient information about marine mammals for the government to make those decisions.
- d. Recommendation 20-6. We support the intention of this recommendation as it is tied directly to the 2000 NRC report and its recommended change to Level B harassment.
- e. Recommendation 20-9. We are concerned about the removal of the call for new funding. Without that, this shift in research will be difficult if not impossible to achieve.
- f. Recommendation 20-10. We applaud this new directive to the U.S. on international protections for marine mammals at risk in foreign waters.

- ***Chapter 21, Preserving Corals and Other Coral Communities.***

- a. Recommendation 21-3. More information was added about deep-sea corals including a new recommendation that (a) establishes NOAA as the lead agency for management, (b) seeks expanded surveys of deep sea coral distribution and abundance, (c) calls for more research on the major threats to their continued existence, and (d) asks for a recommendation for adding deep sea corals to the charter of the Coral Reef Task Force.
- b. Recommendation 21-1. We support the several new additions to the recommended Coral Protection and Management Act, including, (a) assessment programs, (b) increased protections for vulnerable coral reefs, including the use of marine protected areas, and (c) support for state-level coral reef management.
- a. Recommendation 21-2. However, we note with concern that the recommendation on the Coral Reef Task Force was modified by (a) removing authority to address deep sea corals and instead calling for a recommendation by NOAA on how to address them, (b) adding that development and implementation of regional ecosystem plans to address threats should be done "in collaboration with states and territories", and (c) weakening the directives to federal agencies to implement pollution reduction goals and reducing effects of fishing ("should" became "can" and this language was shifted from the actual recommendation to report text).

- ***Chapter 22, Setting a Course for Sustainable Marine Aquaculture.***

- a. The final report adds an important point to the section entitled, "Addressing Environmental Impacts of Aquaculture." It specifies, "all of the potential impacts discussed in this section

need to be addressed if the nation is to achieve an environmentally and economically sustainable marine aquaculture industry.” (p. 286.) This new language signals an important change by the Commission by recommending that all potential environmental impacts in leasing and permitting be addressed. We strongly support that. This change indicates the strong need to address environmental concerns at two levels: both the programmatic leasing level and the specific project permitting level. We are pleased that the Commission is recommending this type of environmental review and careful consideration of environmental impacts.

- b. However, the use of hormones was removed from the preliminary draft and omitted from the final report as no longer being a matter of water quality concern (p. 285.) We object to this removal of hormones as a water contaminant, especially when these can be and are used in many aquaculture facilities.
- c. The reference to the Coastal Zone Management Act and the rights of states to determine consistency of aquaculture facilities was dropped from the final report (Preliminary Report at p. 272.) That reference should have remained in the report, as the CZMA remains an important and relevant statute for states to use in their consideration of offshore aquaculture facilities in the Exclusive Economic Zone.
- d. The detailed review of the current statutory and regulatory regime has also been removed. (Preliminary Report at pp. 271-272.) This is not helpful in setting forth a full and accurate picture of the status quo of aquaculture. It deceives the reader into believing that there is no current regime, when that is not the case. The current regime may be frustrating and byzantine, but it does exist, which should be described for the public.

- ***Chapter 23, Connecting the Oceans and Human Health.***

- a. The chapter makes the case that human health depends upon healthy ocean ecosystems, and discusses a number of links between the two. This is welcome.
- b. It stresses the importance of preserving marine biodiversity (while minimizing the environmental impacts of bioprospecting), both for the health of ocean ecosystems and the potential to offer humans beneficial bioproducts.
- c. It advocates a comprehensive investigation of the biology and ecology of HABs to increase understanding of options for prevention, prediction and control. The report also stresses the need to reduce nutrient inputs to coastal waters in an effort to increase prevention of HABs.
- d. The chapter discusses the need to protect human health from contaminated seafood and coastal waters.
- e. However, the chapter focuses primarily on R&D, rather than needed policy changes.
- f. The chapter does not mention key deficiencies in government programs to protect human health from contaminated seafood and coastal waters – for example that FDA's tolerances for contaminants in commercially traded fish are fewer, based on older science, and less protective of human health than EPA's risk assessment methodology for recreationally caught fish.
- g. The chapter's final recommendation focuses solely on implementing existing programs to protect human health, but does not ask if new authorities or programs are needed.
- h. The chapter's discussion of pharmaceutical use in aquaculture fails to acknowledge the potential for antibiotic resistance from the use of antibiotics in aquaculture.

- i. The report makes no policy recommendations for addressing the impacts of climate change on human health (e.g., the spread of pathogenic microorganisms as a result of rising ocean temperatures).
- j. In its lengthy discussion of marine biotechnology and bioproduct discovery, the chapter fails to acknowledge controversies about the extent of public benefits from such R&D, particularly controversy about whether the scope of biotechnology patents limits public benefits from certain genetically based traits or products.

- ***Chapter 24, Managing Offshore Energy and Other Mineral Resources.***

- a. In response to specific comments and concerns about the source and distribution formula for the proposed Trust Fund revenues that were articulated in comments provided on the draft USCOP report by a number of governors, the final report placed the following caveat on its discussion of the Trust Fund, adding this language:

“It is not intended to either promote or discourage offshore uses authorized under existing laws, and the fund itself would not drive activities in offshore waters. Rather, all proposed actions would be evaluated under established statutes and governance structures, including the NEPA process.”

However, in spite of this generalized assurance, the actual text contained in recommendation 24-1 remains unchanged in the final USCOP report, and still reads as follows:

“States off whose coasts OCS oil and gas is produced should receive a larger share of such revenue to compensate them for the costs of addressing the environmental and socioeconomic impacts of energy activity in adjacent federal waters.”

Therefore, while the final report acknowledges the concerns of a number of governors that the Trust Fund not be used to create incentives for states and localities to accept new offshore oil and gas leasing along their coastlines, its recommendation on the topic of offshore oil and gas revenues still fails to articulate the need to avoid federal OCS leasing incentives.

- b. Another concern is that the pass-through of funds to localities remains in the recommendations, without identifying the need for adequate controls to ensure the money is spent only on constructive outcomes.
- c. We support the fact that the final report, as did the draft report, recognizes the potential long-term impacts on the marine environment of offshore oil and gas operations and encourages a better quantification of these impacts through sound science.
- d. However, the final report fails to specify that environmental studies and assessments of impacts of the eventual commercial extraction of seafloor methane hydrates must be done prior to, not after, leasing of subsea deposits to industry.

PART VII – SCIENCE-BASED DECISIONS: ADVANCING OUR UNDERSTANDING OF THE OCEANS (Chapters 25-28, pp. 323-382.)

- ***Chapter 25, Creating a National Strategy for Increasing Scientific Knowledge.***
 - a. Recommendation 25-2. The final report took out good language directing agencies to, "develop ten-year science plans and budgets" and requiring agencies to provide greater-than-five-year granting opportunities (this is very important because agencies cannot do meaningful science on a year-to-year basis.) The final report also took out language requiring the national science strategy to, "incorporate the science needs and priorities of local, state, regional and national managers" and "promote the transition from basic research results to applied uses." Without both of these mandates we will end up with more of the same - research for research sake without ensuring that it makes the ocean healthier and people's lives better.
 - b. Recommendation 25-3. The draft had, after the recommendation (i.e., in the text), a statement that funding for the socioeconomic research recommended in 25-3 should be "at least \$8-10 million a year." The final report struck the numbers and only called for "significant new funding."
 - c. New Recommendation 25-4. This is a separate call to significantly expand Sea Grant, which we support.
 - d. New Recommendation 25-5. This is a separate call to develop ten-year science plans and budgets and for agencies to provide greater-than-five-year granting opportunities, which we support.
 - e. The final report also took out the reference to the specific funds needed for the expanded ocean exploration program (the preliminary report recommended \$110 million.)
 - f. New Recommendation 25-8. This recommendation calls for re-establishing the Office of Technology Assessment, which we support.
- ***Chapter 27, Ocean Infrastructure and Technology Development.***
 - a. New Recommendation 27-5. This new recommendation requires Congress to support the infrastructure and technology requirements related to ocean and coastal management, operations and enforcement. This will include recapitalization of the Coast Guard fleet, as well as other elements. We support this recommendation.

PART VIII – THE GLOBAL OCEAN: U.S. PARTICIPATION IN INTERNATIONAL POLICY (Chapter 29, pp. 383-398.)

- ***Chapter 29, Advancing International Ocean Science and Policy.***
 - a. The final report added language that stresses the effectiveness of global, regional and bilateral initiatives (p. 385).
 - b. It also added a paragraph about the impact international trade agreements have on international ocean governance, and that reviews to ensure trade agreements are consistent and mutually supportive of U.S. ocean policy objectives (p. 386).
 - c. A new paragraph was added about other national ocean initiatives, which states that it is important that the U.S. monitor, study and learn from these other initiatives (p. 388.)

- d. The final report eliminated several agreements from the table that catalogue U.S. participation in International Ocean Agreements, including Convention on Biological Diversity, Convention on Migratory Species of Wild Animals, Kyoto, UN Conference on Human Environment (pp. 395-397.)

With respect to international policies, we strongly urge the Administration to make ratification of the Law of the Sea convention a top priority.

PART IX – MOVING AHEAD: IMPLEMENTING A NEW NATIONAL OCEAN POLICY (Chapter 30, pp.399-410)

- ***Chapter 30, Funding Needs and Possible Sources.***
 - a. In terms of costs, the final report includes several changes. The cost of implementing the recommendations for the first year changed from \$1.2 billion in the draft report to \$1.5 billion in the final. The cost for the out-years increased from \$3.1 billion in the draft report to \$3.9 billion in the final report. However, the final report clarifies that cost estimates are for new funding in addition to existing funding levels. In addition, the cost estimates are now given by chapter (e.g., Chapter19: Achieving Sustainable Fisheries: \$29.95 million in year one.)
 - b. The final report contains a new recommendation 30-2 for the National Ocean Council, in cooperation with the Office of Management and Budget, to coordinate and compile a biennial report for the President on ocean funding, as required under the Oceans Act of 2000, including establishing a consistent reporting format.
 - c. A strong element of the final report that we support is the call for significant investment in our oceans.
 - d. We are happy to see that the final report continues to call for the private sector to pay rent for new offshore activities to ensure a fair return to the public for the use of marine resources.
 - e. Also, we note that the final report prioritizes funding for establishing the national ocean policy framework, especially the National Ocean Council.
 - f. Unfortunately, the final report continues to lack details on how the Ocean Policy Trust Fund would actually work and what if any environmental “sideboards” should be adopted to ensure the money is spent wisely and that it does not create incentives for additional offshore development.